

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Ft. Meade Post Office  
Ft. Meade, South Dakota

Docket No. A2012-63

ORDER AFFIRMING DETERMINATION

(Issued February 21, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly, the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

The Postal Service's Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service's request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On November 8, 2011, Darla Burge and Glenda Hildebrand (Petitioners) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Ft. Meade, South Dakota post office (Ft. Meade post office).<sup>2</sup> The Final Determination to close the Ft. Meade post office is affirmed.<sup>3</sup>

## II. PROCEDURAL HISTORY

On November 28, 2011, the Commission established Docket No. A2012-63 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup>

On December 1, 2011, the Postal Service filed the complete Administrative Record with the Commission.<sup>5</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>6</sup> On December 6, 2011, the Public Representative filed comments.<sup>7</sup>

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<sup>2</sup> Petition for Review received from Darla Burge and Glenda Hildebrand regarding the Ft. Meade, South Dakota Post Office 57741, November 8, 2011 (Petition). Identical copies of the Petition were received from Concerned Citizens of Ft. Meade and Stacey Shipley. Letter received from Concerned Citizens of Ft. Meade, South Dakota, November 10, 2011; Petition for Review received from Stacey Shipley regarding the Ft. Meade, South Dakota Post Office 57741, November 30, 2011.

<sup>3</sup> The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

<sup>4</sup> Order No. 1004, Notice and Order Accepting Appeal and Establishing Procedural Schedule, November 28, 2011.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing Corrected Administrative Record – [Errata], December 1, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Fort Meade, SD Post Office and Extend Service by Highway Contract Route Service (Final Determination). The Postal Service originally filed its Notice of Filing Administrative Record on November 23, 2011, but filed a "Corrected Administrative Record," because the original was missing several item numbers, including Item No. 47. All citations refer to the Corrected Administrative Record.

<sup>6</sup> United States Postal Service Comments Regarding Appeal, January 3, 2012 (Postal Service Comments).

<sup>7</sup> Public Representative Comments, December 6, 2011 (PR Comments).

### III. BACKGROUND

The Ft. Meade post office provides retail postal services and service to 71 post office box customers. Final Determination at 2. No delivery customers are served through this office. *Id.* The Ft. Meade post office, an EAS-11 level facility, provides retail service from 8:00 a.m. 11:45 a.m., and 12:30 p.m. to 4:15 p.m., Monday through Friday, and 8:00 a.m. to 9:45 a.m. on Saturday. *Id.* Lobby access hours are 24 hours. *Id.*

The postmaster position became vacant on January 2, 2009, when the Ft. Meade postmaster retired. *Id.* A non-career officer-in-charge (OIC) was installed to operate the office. *Id.* at 2, 5. Retail transactions average 22 transactions daily (25 minutes of retail workload). *Id.* at 2. Office receipts for the last three years were \$28,037 in FY 2008; \$25,809 in FY 2009; and \$23,191 in FY 2010. *Id.* There are two permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$38,863 annually. *Id.* at 5.

After the closure, retail services will be provided by the Sturgis post office located approximately one mile away.<sup>8</sup> Delivery service will be provided by highway contract route service through the Sturgis post office. *Id.* The Sturgis post office is an EAS-20 level office, with retail hours of 9:00 a.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m. on Saturday. *Id.* Four-hundred and twenty-five post office boxes are available. *Id.* The Postal Service will continue to use the Ft. Meade name and ZIP Code. See Administrative Record, Item No. 26.

### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioners oppose the closure of the Ft. Meade post office. They assert that it is convenient for veterans who are patients using the Ft. Meade medical facilities. Petition at 1. They state that the Ft. Meade post office also services

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<sup>8</sup> *Id.* at 2. MapQuest estimates the driving distance between the Ft. Meade and Sturgis post offices to be approximately 2.5 miles (8 minutes driving time).

residents, employees, and tourists. They note that the Ft. Meade post office is located in an historic building. *Id.*

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Ft. Meade post office. Postal Service Comments at 1. The Postal Service believes the appeal raises two main issues: (1) the effect on postal services; and (2) the impact on the Ft. Meade community. *Id.* at 2. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Ft. Meade post office should be affirmed. *Id.*

The Postal Service explains that its decision to close the Ft. Meade post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of highway contract route delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Ft. Meade community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, effect on the Ft. Meade community, economic savings, and effect on postal employees. *Id.* at 12.

*Public Representative.* The Public Representative contends that the Postal Service has complied with the requirements of 39 U.S.C. § 404(d), and that the decision to close the Ft. Meade post office is supported by substantial evidence and should be affirmed. PR Comments at 1. He notes, however, that the Postal Service understated

the distance between the Ft. Meade and Sturgis post offices. He submits a map showing that the distance between the two post offices is 2.5 miles. *Id.* at 1-2.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 18, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Ft. Meade

post office. Final Determination at 2. A total of 71 questionnaires were distributed to delivery customers. *Id.* Other questionnaires were made available at the retail counter. *Id.* A total of 17 questionnaires were returned. *Id.* On June 2, 2011, the Postal Service held a community meeting at the Ft. Meade VA Hospital Building 145 to address customer concerns. *Id.* Eleven customers attended. *Id.*

The Postal Service posted the proposal to close the Ft. Meade post office with an invitation for comments at the Ft. Meade and Sturgis post offices from June 29, 2011 through August 30, 2011 Administrative Record, Item No. 36. The Final Determination was posted at the same two post offices from October 21, 2011 through November 22, 2011. *Id.*, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Ft. Meade, South Dakota is an unincorporated community located in Meade County, South Dakota. Administrative Record, Item No. 16. The community is administered politically by Sturgis and Meade counties. *Id.* Police protection is provided by the Ft. Meade Police. *Id.* Fire protection is provided by the Ft. Meade Fire Department. *Id.* The community is comprised of retired veterans living in the Ft. Meade nursing home, current employees of the Ft. Meade medical facilities, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Ft. Meade community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Ft. Meade post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 4-5.

Petitioners raise the issue of effect on the Ft. Meade community, noting that the post office is located in an historic building. Petition at 1. The Postal Service responds that closing the Ft. Meade post office does not alter the history of Fort Meade, nor does it diminish the importance of the building that houses the post office. Postal Service Comments at 9.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Ft. Meade postmaster retired on January 2, 2009 and that an OIC has operated the Ft. Meade post office since then. Final Determination at 5. It asserts that after the Final Determination is implemented, the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Ft. Meade post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Ft. Meade customers. Postal Service Comments at 6. It asserts that customers of the closed Ft. Meade post office may obtain retail services at the Sturgis post office located 1 mile away. Final Determination at 2. Delivery service will be provided by highway contract route service through the Sturgis post office. *Id.* The Ft. Meade post office box customers may obtain Post Office Box service at the Sturgis post office, which has 425 boxes available.

*Id.* For customers choosing not to travel to the Sturgis post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 7.

Petitioners note the convenience of the Ft. Meade post office to veterans who are patients using the Ft. Meade medical facilities, as well as residents, employees, and tourists in the Ft. Meade community. Petition at 1. The Postal Service responds that it considered the impact of closing the Ft. Meade post office on Ft. Meade customers. Postal Service Comments at 7. It contends that it considered the provision of postal services to the community affiliated with the Ft. Meade medical facilities. *Id.* It explains that veterans on campus will continue to receive necessary postal services through delivery service. *Id.* at 7-8. It asserts that it can meet the medical dispatch needs of the medical facility through a carrier. *Id.* at 8.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$38,863. Final Determination at 5. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$0) minus the cost of replacement service (\$5,416). *Id.*

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Ft. Meade post office postmaster retired on January 2, 2009. Final Determination at 5. The post office has since been staffed by an OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; and Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Ft. Meade post office has been staffed by an OIC for approximately 2 years, even assuming the use of the presumably



lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Ft. Meade post office is affirmed.<sup>9</sup>

*It is ordered:*

The Postal Service's determination to close the Ft. Meade, South Dakota post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

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<sup>9</sup> See note 3, *supra*.

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Ft. Meade post office has been operated by a non-career officer-in-charge (OIC), after the former postmaster retired on January 2, 2009. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

A non-career OIC has been in place for three years. Given this extended period of time, and the Postal Service's current financial difficulties, it is clear that the Postal Service has no obligation to maintain a full-time postmaster in small facilities such as Waverly. Upon closure of the facility, the Postal Service may, at most, avoid continuing to pay the OIC level salary.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Ft. Meade, South Dakota and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since January 2009, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Ft. Meade post office and should be remanded.

Nanci E. Langley